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introduction of the concept of performance budgeting in which program performance is emphasized rather than things or objects of expenditure. Within the departments and from authorizing bodies continues to come the essential question - but with greater emphasis - "Is this trip really necessary?"

Now intelligence is by no means immune to this trend - nor should it be. Intelligence today is costing the people of the United States well over STAT dollars annually. An economy-minded Administration and Congress are properly looking hard at this figure. They have been asking questions of Mr. Dulles in his capacity as Director of Central Intelligence. At the same time, the Intelligence Community is faced with growing demands for intelligence, the collection and reporting of which involves increasingly costly programs.

Now you are all aware that United States intelligence activities involve a far-flung jurisdictional network. Command lines and administrative authorities

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are not centralized under one direction. No one person has control over all of the programs and activities. Thus, the introduction of the question - "How much is United States intelligence costing?" - presents a new and tremendously significant challenge to the Director's coordinating role. So, the Director this past year has moved upon the problem of intelligence Community cost figures through the use of the United States Intelligence Board machinery. The question of "How much....?" was made an intelligence Community problem. In this way the Director maintained a truly coordinated approach. The Board reacted positively to the problem and established as a permanent part of the intelligence machinery a Cost Estimates Committee. This Committee, chaired by our CIA Comptroller, with representatives from State, Army, Navy, Air Force, the Office of the Secretary of Defense, the Joint Chiefs of Staff, the Atomic Energy Commission, and the FBI, is made up of individuals qualified in the accounting and reporting fields who are familiar with actual going and planned intelligence

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operations in the various agencies. The facts developed by the Committee will be used to advise the President, the President's Board of Consultants on Foreign Intelligence Activities ---- the Hull Committee, the Congressional Appropriations Committees, the Bureau of the Budget and others who have a need to know. I believe that this action by the Intelligence Board is most significant. It gives a program recognition to the budget process. It is, in my opinion, an indication of approaching maturity that within the intelligence machinery there now exists an administrative vehicle concerned with preparing and reporting over-all cost figures for our authorizing bodies. The implications of high-level attention being given to the issue is already being felt and at most levels throughout the Intelligence Community.

Now there are many who don't like this kind of budgetary apparatus.

They honestly feel that where the budget is injected in the program it is a

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restrictive element and that it has the effect of stifling imagination and slowing down constructive and bold intelligence operations. It is frustrating to have to think of operations in terms of dollars. Unfortunately, like it or not, this is the case and we have to live with it, even though, as I have said before, Intelligence is being asked to take on more work all the time. The problem of how to do more and better with less and fewer is, to my way of thinking, the biggest challenge which the Intelligence Community has, and it is everyone's job - yours and mine - to figure out the ways of doing it. We've got to be adaptable.

I am sure that you can all think of cases where difficult jobs have been successfully done under the sort of circumstances which I've just mentioned.

I'd like to cite one for you.

Last year you heard General Cabell talk about "CRITIC." Since then much has been done not only by us but by many other Government agencies as well.

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As you may recall, "critical intelligence" is defined as information indicating a situation or pertaining to a situation which affects the security of the United States to such an extent that it may require the immediate attention of the President. The Agency has had an important role to play in this undertaking. Since the start of the CRITIC reporting system in July, 1958, the emphasis within the Agency on speed of intelligence reporting and communicating CRITIC messages has been stressed to the utmost. A new precedence category of reporting and communicating has been established and this traffic is handled ahead of all other precedences of messages.

In increasing the Agency's communications capability and speed of handling to meet this CRITIC requirement, new, higher speed and extremely expensive electronic encryption devices were procured. Leased circuits, TELEX, and even long distance telephone circuits, are being brought into the program.

An expensive leased circuit to was established. Fortunately,

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existing staff communications network. To do this is going to be costly in dollars and people. As yet, the impact of this program upon the Agency is an unknown quantity. However, in these days of lowering personnel ceilings and tighter budgets it will not be easy to roll with the punch on this one. The plain facts are that it has to be done since we are a major participant in an operation of most vital importance to the security of the United States.

Now, let me turn to another aspect of our business which is receiving a great deal of attention today and which also has many budgetary and other administrative ramifications - limited war. More particularly, I would like to discuss it as it relates to the Agency's activities and to you as Agency Reservists.

I note that your Reserve Training Program is designed to deal with limited and general war situations overtly involving the U. S. military. This is as it should be, since the military is doing a great deal of planning for both types.

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other more recent involvements which were not too successful. I believe that this is understandable since a job of this type requires many assets both in materiel and personnel which are most difficult to come by and maintain on an almost instantaneous readiness basis, particularly in these days of tight budgets. Nevertheless, we have the responsibility and we've got to do something about it.

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Currently, we are faced with the possibility of having to deal with similar situations in Latin America, the Middle East, the Far East, and Africa. Equipment-wise, we are in reasonable shape to meet these situations - certainly in the early stages. From the human asset side, however, the Agency's capability is limited to those personnel who have previous experience in this type of activity and to the potential represented by what is called the Contingency

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Force List. This is a list of something over a hundred people who have agreed to participate in operations of this kind and who have been brought to a state of readiness which will permit them to be assembled and deployed overseas on approximately 24 hours' notice. This group includes both operational and support personnel. While this is not the final answer to contingency operations, it is a start.

This responsibility of the Agency has created many problems for which there doesn't seem to be any pat solution. Perhaps the most difficult is that of assembling any force from our current T/O while at the same time meeting the constantly increasing workload of normal Agency operations. And yet, keeping people on a shelf like equipment doesn't seem to be the answer either. Even if we were authorized to stockpile personnel with the required skills, I doubt if this would be very practical, since it is virtually impossible to keep direct action types in limbo for indeterminate periods while waiting for a

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requirement to develop. They either get other jobs or go sour.

This, at least for now, leaves us only with our on-board personnel to draw from, and many of those now on the Contingency Force List need specialized training in order that they may be most efficiently used in a contingency situation.

What does this result in? Another problem. Currently, the Office of Training is so tied up that recently it was necessary to borrow a senior PM Staff Officer to conduct a course in paramilitary training. It is also extremely difficult to break personnel loose from their current jobs long enough to give them the training required.

What can you do about this? As a partial solution I would like to give you first a concept and then make a proposal. As I see it, the world is now engaged in a total cold war with sporadic hot flashes. Every Korea, Vietnam or Laos is an engagement. Every country taken over by an unfriendly regime is a battle lost. Intelligence operations in general, and Agency contingency operations

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I realize that this approach might not apply to all Agency reservists because of the nature of their military assignments. However, I believe that a large and useful group of Contingency Force personnel could be produced. I realize also that it will be necessary eventually to demonstrate to the military that this Program will be beneficial to them. In the light of today's situation and the close coordination required, I feel that this could be accomplished. Also, I believe that with proper coordination and scheduling this Program could not only provide training to Reservists but could be used as a means of developing a pool of Reservist instructors, whose members, while on active duty, could train non-Reservists in the same subjects. In this way the Agency's collective capability could be augmented in advance of the final solution of this problem.

If I may turn away from the personnel problems for the moment, I would like to stress the importance of the coordinated effort in contingency

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operations. Experience has shown that even under the most stringent security

wraps these operations require participation by many elements of the Agency.

I urge that those of you who may be involved in the planning and execution of

any such operations make every effort to ensure that all elements which may at

some stage be asked to contribute be given adequate information and

requirements at the earliest possible time. Now - and I am putting on my

DD/S hat - let me say that any contingency action requires much support. In

fact, since indigenous personnel are usually the "action" forces, I think it can

be argued that all of us are in a support role. You know that without communications

and materiel you are out of business. Logistics, Training, Personnel, Finance---

all the DD/S elements have a wealth of technical expertise to offer, without which,

when you need it, you will have serious problems. Let us in the DD/S know your

plans and requirements, and we will give you the best that we have to offer - and

I think that you will find it to be good enough.

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In closing, I should like to challenge you to make your training program realistic and to make the most of the relatively few hours which you spend in your Reserve Program. Frankly, I feel that a good deal of the criticism levied at this Program by the Military Services a few years ago was justified. I refer to that period when it was common practice to have Agency speakers at almost every meeting who talked on subjects of their own choosing, whether or not they made a contribution to the specific objectives of your Program. I am pleased to know that this practice has been discontinued.

Quite aside from your obligation to the Agency, the Military Service of which you are a member, and the taxpayer, it always hurts me to see training time wasted. Like many of you, I have seen war at close range. Under my command many were killed and many more wounded. No commander with a similar experience can avoid asking himself the question---"Would these numbers have been lower had men been trained differently or better?" As much

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as it hurt to lose a combat-seasoned veteran whom you knew well, I think that it hurt even more to see the new replacement killed or seriously wounded in his first few minutes of combat. The unanswered question was always there - to tear at your conscience - "Was he properly trained when I committed him to action?"

So, let us hope that none of you are here just to put in your time so that you can someday receive retirement benefits. You have an important job to do and an important obligation. Time is short. Make the most of it!

STATINTL

TRANSMITTAL SLIP		
TO 		
ROOM NO.	BUILDING	
2922	Curie Hall	
REMARKS:		
<p>Attached is a copy of the speech which Colonel White delivered to the Reservists on 14 September.</p> <p>Sorry to be so tardy on this.</p> <p><i>Ruth - File</i></p>		
FROM 		
ROOM NO.	BUILDING	EXTENSION
124A	East	
FORM NO. 241 1 FEB 55		
REPLACES FORM 36-8 WHICH MAY BE USED.		
(47)		

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REGULATION

PERSONNEL
16 June 1960

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PERSONNEL MOBILIZATION PLANNING

UTILIZATION AND TRAINING OF AGENCY MILITARY RESERVISTS

1. GENERAL

This regulation prescribes Agency policy, within the limits of the policies of the Military Departments, for wartime utilization and peacetime active duty training of members of CIA military reserve units.

2. POLICY

- a. Agency reservists designated for duty with the Agency in military status in time of emergency (CIA Category 1) will, when ordered to extended active duty on mobilization, be utilized by CIA in duties requiring military status and proficiency.
- b. Reservists assigned to CIA military reserve units will take active duty training tours enabling them to maintain military proficiency and to obtain skills necessary for performance of wartime duties. The location and appropriateness of training for reservists assigned to the Army and Air Force reserve units will be determined within CIA pursuant to authority vested in the Director of Central Intelligence, as head of the sponsoring agency. The training of reservists assigned to the Naval and Marine Corps Reserve units will be as directed by the Chief of Naval Personnel and the Commandant of the Marine Corps, respectively.

3. RESPONSIBILITIES

- a. The Director of Personnel will plan for the use of CIA Category 1 reservists in wartime. To this end he will maintain liaison with the Military Departments to determine availability of suitable training. He will secure quotas, as appropriate, for the training of reservists assigned to the Army and Air Force Reserve units, arrange for training of reservists assigned to the Marine Corps Reserve unit, and recommend to the Department of Navy appropriate training for reservists assigned to the Naval Reserve unit.
- b. The Deputy Directors (Intelligence), (Plans), and (Support) will designate representatives of their war planning elements to assist the Director of Personnel in this planning.

C. P. CABELL
General, USAF
Acting Director of Central Intelligence

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